

CompTel 

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July 5, 2001

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie R. Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

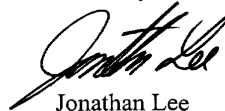
*Re: Application of Verizon to Provide In-Region InterLATA Service in
Pennsylvania, CC Docket No. 01-138*

Dear Ms. Salas:

Pursuant to Section 1.1206 of the Commission's Rules and the procedures established in the Commission's *Public Notice (DA 01-1486)* dated June 21, 2001, the Competitive Telecommunications Association ("CompTel") hereby gives notice that on July 3, 2001 its representatives and representatives of its member company Metropolitan Telecommunications ("MetTel") met with Commission staff regarding the above referenced docket. Specifically, CompTel and MetTel met with Robert Tanner, Priya Srinivasan, Brian O'Boyle, and Trey Hanbury of the Common Carrier Bureau. During the meeting the parties used a presentation to guide the discussion. Parts of this presentation were confidential. A public redacted version of this presentation is attached. Parties who would like to obtain a copy of this confidential information should contact Maureen Flood of CompTel at (202) 296-6650.

Representing MetTel were Elliot Goldberg, Frank Lazzara, Kate Economou, and Anna Sokolin-Maimon. Representing CompTel were Maureen Flood and the undersigned attorney.

Sincerely,



Jonathan Lee
Vice President,
Regulatory Affairs

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MetTel PA Competitive Issues



Metropolitan Telecommunications

MetTel PA Competitive Issues

Introduction and Overview

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- MetTel is a Competitive Local Exchange Carrier presently doing business in New York, Pennsylvania, and New Jersey (effective July 2nd)
- MetTel presently services [Redacted] lines in New York and [Redacted] lines in Pennsylvania
- MetTel began Provisioning in Pennsylvania in August 2000
- This presentation will review the combination of factors which continue to effectively inhibit open competition in Pennsylvania

- The MetTel team is:
 - Anne Sokolin-Maimon, Esq.
 - Kate Economou, Director of Revenue Assurance
 - Elliot Goldberg, Director of OSS and Program Management
 - Frank Lazzara, Chief Financial Officer

- Verizon's business practices prevent MetTel's ability to actively compete in the local service market
 - Negative impact on reputation due to inadequate service levels results in loss of existing customers
 - Inaccurate billing damages company credit
 - Damage to business reputation and credit leads to inability to procure future sales

- The issues which will be covered relate to two major areas:
 1. Verizon's inability to produce commercially viable accurate billing information and invoice data
 - Unreliable and commercially unacceptable invoice prohibits ability to produce correct bills to end users
 - Inaccurate BNA recording provides erroneous information to both IXC's and other CLECs

- Verizon's inability or unwillingness to operate an Operations Support System which provides for and allows:
 - The seamless and accurate migration of End Users from one carrier to another
 - Timely, accurate and quality servicing of End User accounts by Competitive Local Exchange Carriers

The result of the combination of the above two factors is a preclusion of effective competition. As will be demonstrated, with respect to two critical items, Verizon does not meet the requirements of Nondiscriminatory access to network elements as specified in the “Competitive Checklist of the Telecommunications Act of 1996.

- I. Verizon has not produced an accurate and reliable invoice in a commercially viable format
 - A. Renders voluminous paper bills that would require too much manpower to reconcile
 - B. cursory overview shows errors in paper bills
 - 1. Billed retail rates for local service
 - Application of Federal and State Taxes
 - Billed Long Distance on Wholesale invoice
 - Billed Directory Service on Customer's behalf

- I. Verizon cannot produce invoice (con't)
 - C. MetTel forced to submit duplicate paperwork to receive BOS/BDT
 - 1. BOS/BDT finally arrives in March 2001, 6 months after Provisioning initiated
 - D. BOS/BDT does not conform to industry (OBF, Telcordia) standards
 - 1. Numerous blank tapes
 - 2. Unable to view most of tape or reconcile data
 - 3. Segments available still inaccurate
 - a. Summary charges are double the detail charges
 - b. Retail rates
 - c. Resale usage on UNE accounts

I. Verizon cannot produce invoice (con't)

E. MetTel cannot produce a valid invoice for end users

1. Billed subscribers for first time in November of 2000
2. Forced to estimate end user invoices from raw usage files and internal order activity
3. Cannot back bill end users – results in loss of revenue

II. MetTel as subscriber

A. Breakdown in Verizon's two tier ordering process results in Verizon recording MetTel as the subscriber on the account

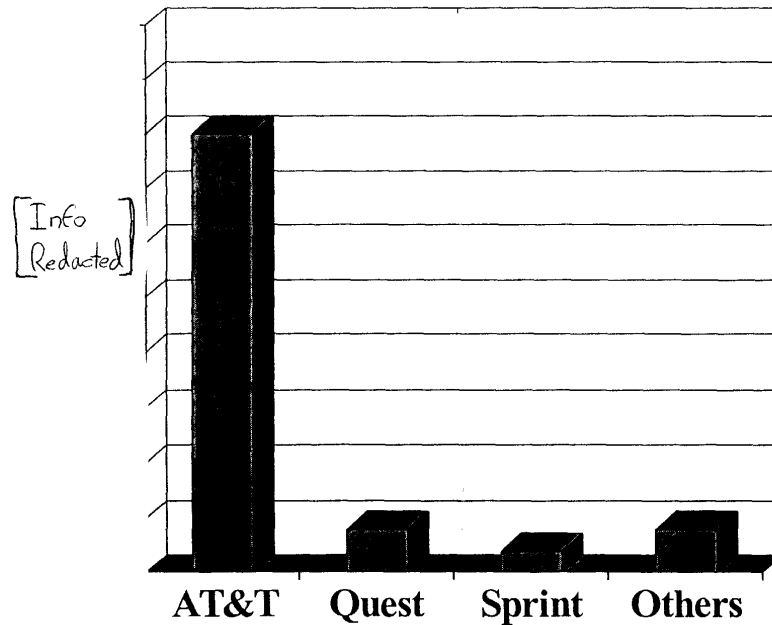
1. MetTel receives retail long distance bills, final notices, and collection letters on individual accounts
 - End users lose LD service due to non-receipt of invoice
 - Loss of service attributed to CLEC's inadequacies
3. Collection agencies threaten MetTel's credit rating
 - Some agencies collect on behalf of Verizon

Billing Issues

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IXC's Billing MetTel as End User



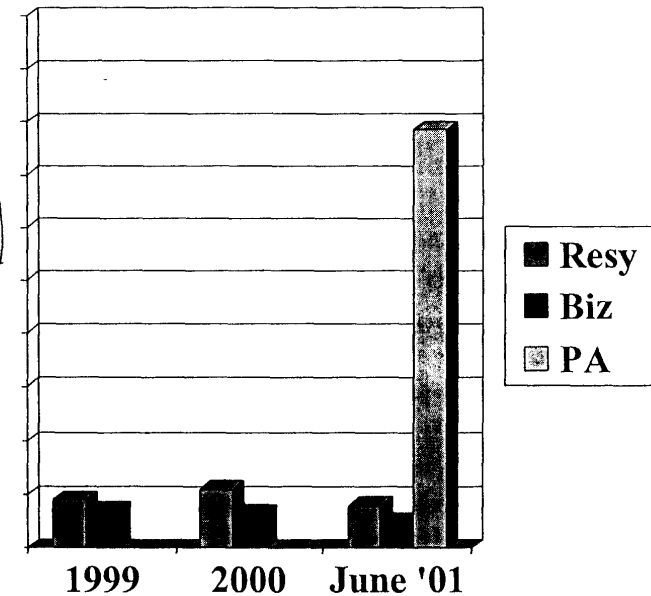
Through April 2001

- There were approximately cases of IXC's recognition of MetTel as the end user for billing purposes. Current estimates project *Redacted* cases to date.
- MetTel has received:
 - Welcome Letters
 - ILEC Final Bill Refund Checks
 - Monthly Invoices
 - Dunning Notices
 - Collection Agency Letters

Monthly Customer Churn

- **Monthly Churn of Residential Customer Base as a whole**
 - 1999: % [Redacted]
 - 2000: %
 - 2001: %
- **Monthly Churn of Business Customer Base as a whole**
 - 1999: % [Redacted]
 - 2000: %
 - 2001: %
- **Monthly Churn of Pennsylvania Customer Base w/Non-MetTel LD (i.e., AT&T)**
 - Overall: [Redacted] %

[Info Redacted]



II. MetTel as subscriber (con't)

- CLEC to CLEC Migrations
 1. MetTel now viewed as subscriber on other carriers' local platforms
- MetTel receives Welcome Letters and invoices from other carriers (CLECs)
- Continued local service for these end users threatened

III. MetTel continuously reaches out to Verizon

- A. Verizon confirms awareness of numerous errors
- B. Verizon ensures corrections to address application of retail rates, usage and taxes
 - 1. Errors appear to be corrected piecemeal for existing accounts, but recur on subsequent invoices for new lines
- C. Verizon announces issuance of BOS/BDT in May
- D. Verizon immediately recalls BOS/BDT based upon internally confirmed errors

III. MetTel continuously reaches out to Verizon (con't)

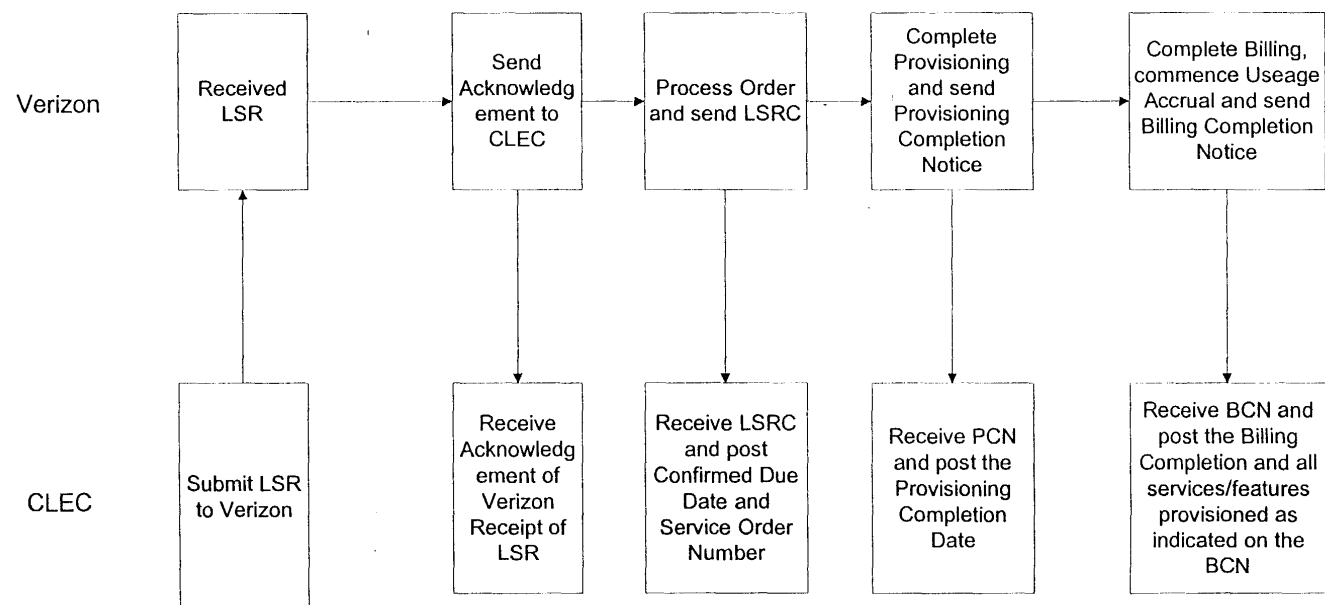
- E. Verizon claims corrected BOS/BDT to be sent for May invoice period
 - Not received as of June end
- F. Verizon refuses to correct and recapture previous billing data to deliver valid tapes for months past
 - 1. MetTel unable to verify accuracy of prior invoices
 - 2. Verizon considers outstanding invoice as due in full

Billing Issues

- Summary of MetTel Billing Issues
 - A. CLECs operate at a major disadvantage in the local market
 - B. Verizon, through its dominance of the Local market, has ready access to prospective LD customers and expends minimal effort in providing LD to said subscribers, while obstructing CLECs attempts to compete freely
 - C. Verizon does not support CLECs from a customer billing data perspective, but rather damages commercial reputation and credit to endanger the existence of the CLEC

- I. Verizon's OSS does not permit accurate, timely and proactive competitive customer service
 - Transactions reported as completed are frequently not provisioned:

Provisioning Order Flow



PA Migration Quality Analysis

As of March 9, 2001

Period	Usage Starting 3 Days after BCN CD	Usage Starting 7 Days after BCN CD	No Usage as of March 9, 2001	Total Late and no Usage
Total				

[Info Redacted]

PA SNP Quality Analysis

As of March 14, 2001

Period	Usage After the SNP BCN CD and Prior to the Restoral BCN CD	Usage After the SNP BCN CD with no Restoral	Usage After the SNP BCN CD with no Restoral Net of Items on the Loss of Line Report prior to First Usage	Total %	Total Net %
Total					

[Info Redacted]

PA Restoral Quality Analysis

As of March 9, 2001

Period	Usage start 3 days after BCN CD	No Usage	No Usage Net of Items Disconnected 7 Days or Less from BCN CD	Total	Total No Usage Net of Items Disconnected 7 Days or Less from BCN CD
February					

[Info Redacted]

OSS Issues

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CIC Change Quality - PA Analysis

CICs as Requested to 5237 (AVG)		Designated CIC not as Requested																No. CIC Record			
		0037	0054	0071	0222	0288	0333	0432	0444	0457	0555	0614	0649	0924	0948	1523	1674	1691	1999	Total	%

B. Notifiers are not received in the timely manner needed for customer service:

PA Acknowledgment, FOC and Reject Notifiers Analysis Against Metric Timelines

Notifier in Time According to Metric Interval	Notifier Type										
	ACK		FOC		Reject		No FOC/Reject		Total for FOC / Reject		Grand Total
	%	% of Total	%	% of Total	%	% of Total	%	% of Total	%	% of Total	% of Total
No											
Yes											
Grand Total											

[Info Redacted]

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PA PONs Completion Date to Receipt of Notifier

Type of Notifier	Received Status	1 Business Day	2 Business Days	3 Business Days	Never Received	Number of Days to reach 95%	Number of Days to reach 97%
		%	%	%	%		
PCN	No	[Info Redacted]					
	Yes						
	Total						
BCN	No	[Info Redacted]					
	Yes						
	Total						

- When the CLEC defines a problem or an issue, Verizon does not provide a timely answer:
 1. As part of their consent to FCC 00-92, Verizon committed that a Trouble Ticket was closed when it:
 - a. communicated the current status of the PON and
 - b. Provided the delayed status notifier to the CLEC
 2. The agreed time standard for this was three business days

OSS Issues

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Trouble Ticket Status

As Of - 3/2/2001

Month	# Pons on Trouble Ticket	Solved in 3 Business Days		Solved in More Than 3 Business Days		Not Solved		Total not Solved in 3 Business Days	
		# of Pons	%	# of Pons	%	# of Pons	%	# of Pons	%
November									
December									
January									
February (1)									
Total									

[Info Redacted]

Analysis of Missing Completion Notifiers (BCN, PCN) Provided After 3 Business Days From TT Opening Date(1)

As of 3/2/2001

Answers provided by Verizon to TT	Requested Notifier	Total No. of Requested Notifier	Number of Items where FOC GDD is Prior to TT Opening		Number of Items where Completion Date is Prior to the 3 Business Days from TT Opening		Number of Items on PCD Report		Remarks
			#	%	#	%	#	%	
BUSFLOW	PCN								
	BCN								
CONFIRMED	PCN								1 of the requested notifiers still not received
	BCN								
JEOPARDY	PCN								Verizon answer provided After the PCN already Received!
	BCN								
PROVNOT	PCN								
	BCN								All of these notifiers did not received
COMPNOT	PCN								
	BCN								2 of the requested notifiers still not received
No Answer Provided	PCN								
	BCN								
Total									

[Info Redacted]

(1) Data is presented for PONs that have received at least one Completion Notifier

- The net effect of Verizon's OSS inadequacies is the:
 - End User perception of CLECs as low quality providers
 - Inability of CLECs to properly serve End Users

Summary

- The net effect of the Billing and OSS Issues is the inhibition of competition
 - Absent a usable electronic bill, CLECs have to devote inordinate amounts of resources to reconciliation
 - Absent reliable billing data, CLECs cannot produce valid subscriber invoices and collect rightful revenue
 - Absent accurate and timely billing, CLECs cannot properly pay for services received

Conclusion

Verizon through its deliberate non conformance to its own published standards and regulatory requirements has effectively created an environment which contravenes the spirit and substance of the Telecommunications Act of 1996



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Questions?